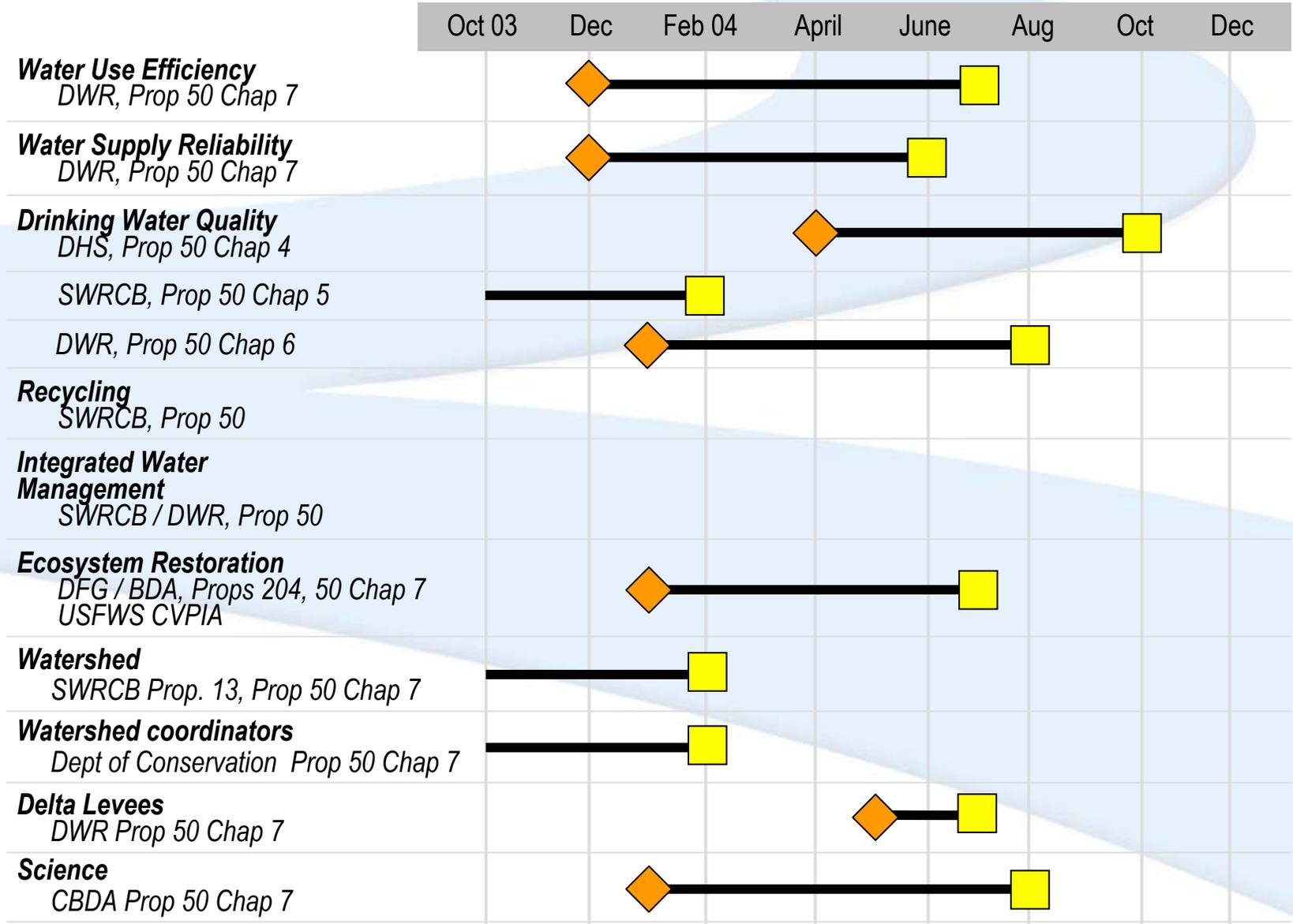


**Agenda Item 9**  
Future Priorities –  
Process for Moving Forward

# A New Approach to Funding

- Coordinated agency programs
- Emphasis on competitive grants
- Concept proposals
- Regional panels
- Independent science/technical reviews
- Documentation and assessment of results
- Transparency through web-based system and public reviews

# Bay-Delta Grant Program Schedule



◆ Release Date    
 ■ Selection Date

# Grants and Authority Funding

- Processes
- Schedules
- Funding Agencies
- Funding Sources
  - Consistency with ROD Goals
  - Public Participation
  - Integration with Science

# **Agenda Item 9A**

2004 Water Use Efficiency  
Draft Proposal Solicitation Package

# **BDPAC & Authority Actions**

- **BDPAC:** Consider Recommendation to Authority to Adopt Resolution 03-12-04
- **Authority:** Resolution 03-12-04 – Consider recommendation to DWR that it proceed with 2004 WUE PSP consistent with stated priorities, selection process & schedule.

# **Local and Regional Agricultural and Urban Water Use Efficiency Projects**

- Implementation Projects (Section A)  
(projects that are not locally cost effective)
- Support Projects (Section B)  
Research and Development; Feasibility Studies,  
Pilot, or Demonstration Projects; Training,  
Education or Public Information; Technical  
Assistance

# Available Funds

- \$30 Million (*first of three funding cycles*)
- Split 50/50 – Agricultural and Urban Projects
- 75% toward Implementation projects  
(Section A)
- 25% toward Support Projects  
(Section B)

*Subject to the availability of funds*

# Eligible Applicants

- Cities, Counties
- Joint Power Authorities
- Public Water Districts
- Incorporated mutual water companies
- Non-profit organizations
- Tribes
- Watershed Management Groups
- Private entities involved in water management
- Universities, State Agencies, Federal Agencies eligible for Section B projects only.
  
- Disadvantaged communities will have preference

# **Eligible Projects**

## **Section A**

*(Implementation)*

- WUE projects that provide water supply, water quality and environmental benefits.
- Urban Best Management Practices
- Agricultural Efficient Water Management Practices
- Projects that achieve WUE Program objectives (including Quantifiable Objectives).

# Eligible Projects

## Section B

*(R&D, pilot studies, education, tech. assistance)*

- Research and development, feasibility studies, pilot or demonstration projects.
- Training or public education projects.
- Technical assistance projects.

# Review Criteria

- Relevance & Importance
- Technical Scientific Merit
- Monitoring & Assessment
- Qualifications of Applicants
- Outreach, Community Involvement
- Innovation
- Costs & Benefits

# Review and Selection Process

<b>Applications Received</b>	<b><i>Deadline Requirement</i></b>
<b>Administrative Eligibility Review (Legal and DWR Staff)</b>	<b><i>Conduct Eligibility Threshold Review</i></b>
<b>Technical Review Science Panel Economic Panel</b>	<b><i>Conduct Economic and Science Feasibility (Threshold)</i></b>
<b>Water Use Efficiency Review Panel (CBDA agency members, stakeholders, subject matter experts)</b>	<b><i>Score and Rank Proposals, or Issue Do Not Fund Recommendations</i></b>
<b>California Bay Delta Authority (CBDA) Water Use Efficiency Agency Team</b>	<b><i>Receives Scores and Produces Draft Funding Recommendations</i></b>

# Review and Selection Process (continued)

**DWR Management**

*Approval on Draft Funding Recommendations*

**Conduct Public Workshop**

*Comments received on Draft Funding Recommendations*

**CBDA - ACT, AUTHORITY**

*Concurrence on Draft Funding Recommendations*

**Final Funding Recommendations  
Approved by DWR Director and  
Posted to DWR Website**

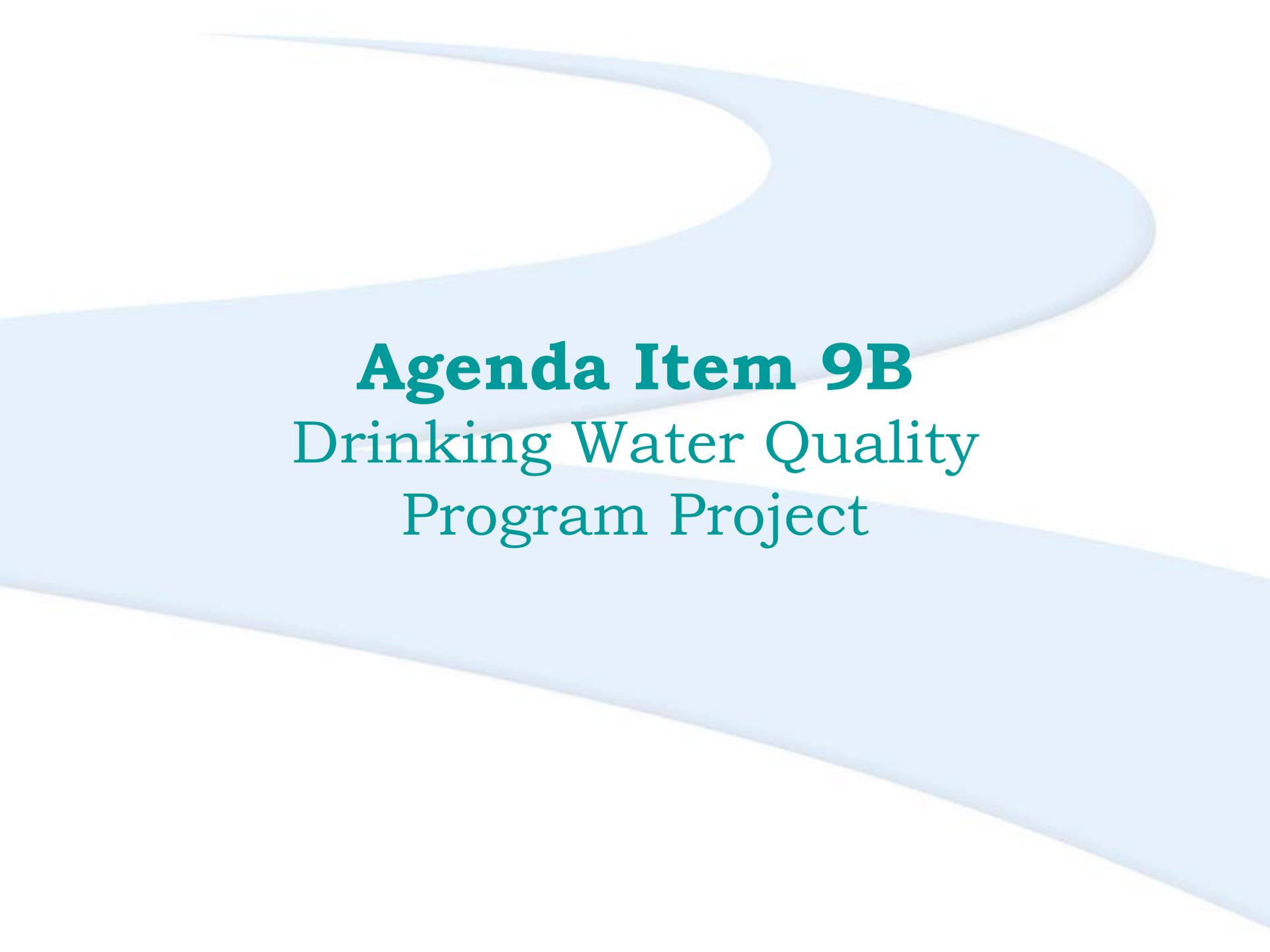
**Agreements/Contracts Negotiated**

# Anticipated Schedule

12/11/03	Present <b><u>Draft</u></b> PSP to BDPAC & Authority
12/15/03	<b><u>Draft</u></b> PSP released on website for public comment
01/14/04	2 Public Workshops (South 1/13/04, North 1/14/04)
02/26/04	Final PSP released on website to accept proposals
03/10/04	1 Public Workshop for Final PSP
04/28/04	Proposals Due
07/28/04	Review process completed, recommendations presented to Authority
08/26/04	DWR makes final funding decision
09/13/04	Contract Negotiations begin
01/13/05	Contracts executed, projects begin

# Today's Action

- BDPAC: Consider a recommendation to the Authority to adopt Resolution No. 03-12-04.
- Authority: Consider adoption of Resolution No. 03-12-04, a recommendation to DWR to proceed with the 2004 WUE PSP.



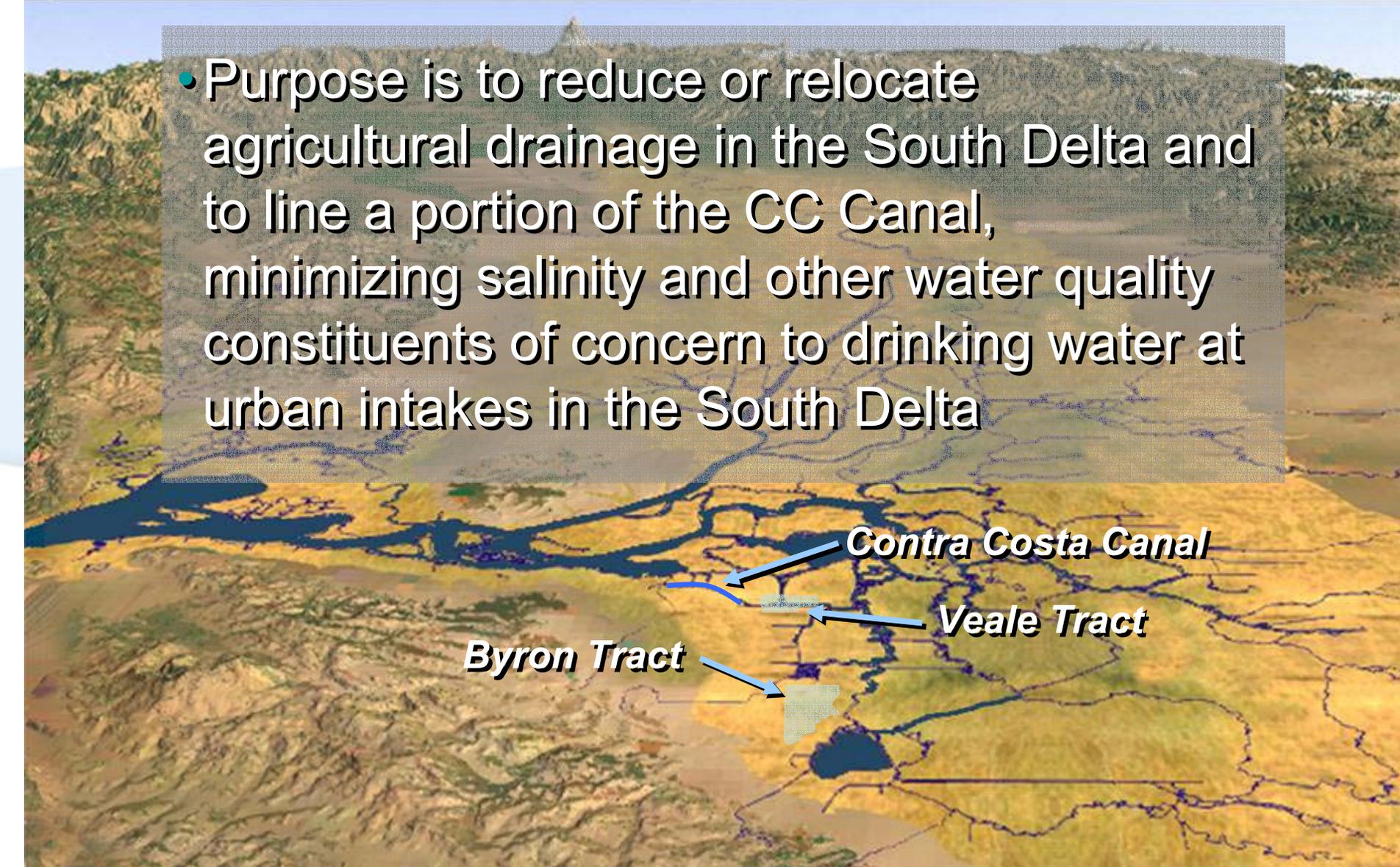
**Agenda Item 9B**  
Drinking Water Quality  
Program Project

# **BDPAC & Authority Actions**

- **BDPAC: No Action to be Taken.**
- **Authority: Consider Resolution 03-12-05 Recommending to DWR that it Proceed with the Award of a Grant to Contra Costa Water District to Begin Implementation of the Rock Slough and Old River Water Quality Improvement Project.**

# Old River & Rock Slough Water Quality Improvements

- Purpose is to reduce or relocate agricultural drainage in the South Delta and to line a portion of the CC Canal, minimizing salinity and other water quality constituents of concern to drinking water at urban intakes in the South Delta



*Byron Tract*  
*Contra Costa Canal*  
*Veale Tract*

# Selection Process

- SWRCB/CBDA Request for Concept Proposals
- Technical Panel review and recommendations for advancement to full proposal
- CBDA staff recommended advancement as a directed action with DWR
- SWRCB/CBDA Statewide Selection Committee approved recommendation
- CBDA and DWR requested full proposal
- DWR and CBDA Project specific review panel and recommendations

# Recommendation

- DWR award contract to CCWD for 3 of 4 proposed tasks
  - Veale Tract drainage implementation
  - Byron Tract drainage implementation
  - Agricultural Best Management Practices program
- Further review of the Contra Costa Canal encasement project
- Funding Source: Proposition 13
- Amount: \$2.8 million

# Today's Action

**BDPAC: No Action to be Taken.**

**Authority: Consider Proposed Resolution No. 03-12-05 Recommending to the Department of Water Resources that it Proceed with the Award of a Grant to Contra Costa Water District**

# **Groundwater Storage and Recharge Grants and Loans**

## **Agenda Item 9C**

# **BDPAC & Authority Actions**

- **BDPAC: No Action to be Taken.**
- **Authority: Consider Resolution 03-12-06 Recommending to DWR that it Proceed with the Award of Groundwater Storage Grants and Groundwater Recharge Loans.**

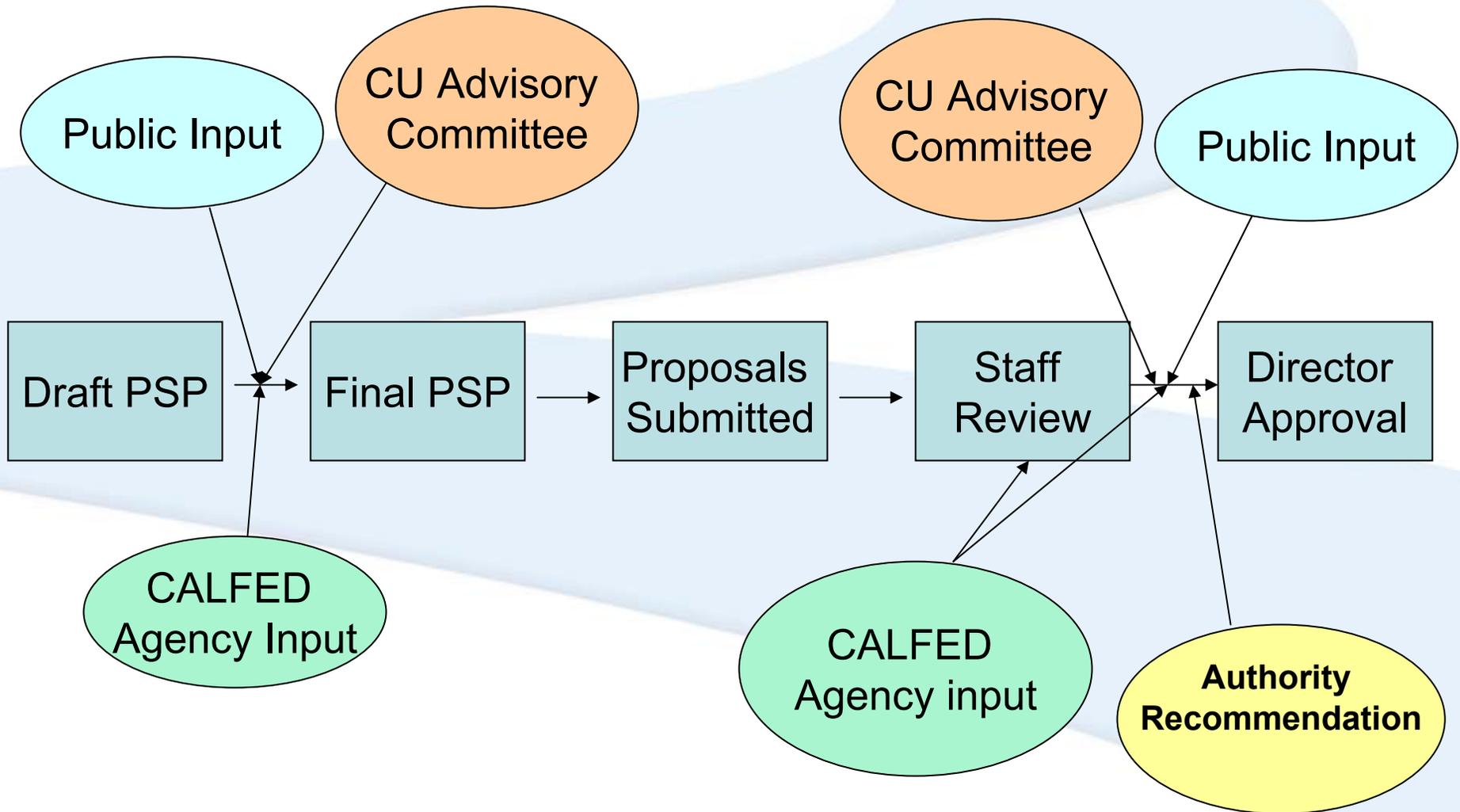
# Groundwater Program Objectives

- Improve water supply reliability at the local, regional and statewide level through support of locally developed, controlled, and operated projects
- Groundwater management grants
- Construction grants and loans
- Partnerships with local agencies

# Review of Proposition 13 Funding

<b>Groundwater Storage Program</b>	<b>\$200,000,000</b>
<b>Groundwater Recharge Program</b>	<b>\$30,000,000</b>
<b><u>To date</u></b>	
<b>Feasibility and Pilot Studies</b>	<b>\$11,419,406</b>
<b>Construction Grants</b>	<b>\$92,664,556</b>
<b>Construction Loans</b>	<b>17,500,000</b>
<b><u>Remaining</u></b>	
<b>Grant Funds</b>	<b>\$77,336,664</b>
<b>Central Valley (40% set aside)</b>	<b>\$19,466,220</b>
<b>Loan Funds</b>	<b>\$8,700,000</b>

# Groundwater Storage Grant Selection Process



Jan — Feb — April — June — Nov-Dec



# Ranking Criteria

- Need for Project
- Unit Cost of Water Produced
- Basin-wide Planning
- Groundwater Management Program
- Readiness to Proceed
- Applicant or Third-party Funding
- Economic Efficiency
- Environmental Benefits
- Adequacy of Supporting Documentation

# Technical Review Process

- Independent reviews by HQ & District staff
- Consensus of staff reviewers
- Separate reviews of Project Economics
- Input from EWA, DOSD, other state agencies
- Senior review for adequacy & consistency
- Management review of all evaluations
- Evaluation summary for each project

# “Policy” Considerations

- Competitive Grant Program
- Limitation on Available Proposition 13 Funds
  - Number of good projects exceeds available funding
- Statutory Requirements
  - 40% Set aside for Central Valley
- Need to Balance Awards/Funds
- Attempt to maximize number of awards/benefits
- Avoid funding cuts that would “disable” a project

# Other Potential Funding Sources

- **Proposition 50, Chapter 7(d)  
Water Supply Reliability**
  - Groundwater Management & Storage
- **Proposition 50, Chapter 8  
Integrated Regional Water  
Management**
  - Groundwater Management & Recharge

<b>Grant Applicant</b>	<b>\$ Requested</b>	<b>Award Amt</b>	<b>%</b>	<b>Source</b>
Kern Delta Water District	\$5,177,950	\$5,177,950	100	P13 GWSG
Pajaro Valley Water Management Agency	\$34,250,000	\$20,390,444	88	P13 GWSG
		\$1,360,000 \$6,886,269		P50 C7(d) P50 C8
East Bay Municipal Utility District	\$4,000,000	\$3,273,000	82	P13 GWSG
Eastern Municipal Water District	\$5,375,000	\$4,397,750	82	P13 GWSG
Los Angeles Co Dept of Public Works	\$7,100,000	\$5,809,250	82	P13 GWSG
Inland Empire Utilities Agency	\$26,441,636	\$15,000,000	58	P13 GWSG
West Basin Municipal Water District	\$16,000,000	\$9,000,000	58	P13 GWSG
Lower Tule River Irrigation District	\$700,000	\$700,000	100	P13 GWSG
Stockton East Water District	\$3,700,630	\$3,700,630	100	P13 GWSG
Sutter Extension Water District	\$1,510,897	\$1,510,897	100	P13 GWSG
Butte Water District	\$1,397,149	\$1,397,149	100	P13 GWSG
Fresno Irrigation District	\$4,615,072	\$3,501,341	100	P13 GWSG
		\$1,113,731		P50 C8
Golden Hills Community Services District	\$740,500	\$740,500	100	P13 GWSG
Kings River Conservation District	\$2,737,753	\$2,737,753	100	P13 GWSG
Arvin-Edison Water Storage District	\$2,000,000	\$2,000,000	100	P50 C8
		\$88,696,684		

# Proposed Grant Awards by Funding Source

Funding Source	Amount
P13 GWSG	\$ 77,336,664
P50 C7(d)	\$ 1,360,000
P50 C8	\$ 10,000,000
<b>Total</b>	<b>\$88,696,664</b>

# **Accomplishments of Recommended Funding**

- Meets Statutory Requirements
- Make Most Projects “Whole”
- Maximizes Number of Awards
- Efficiently Distributes Funding
- Does Not “Disable” Any Project

# Grant Highlights

- Yield – 157,000 acre-feet
- Cost – ranges from \$26/af to \$945/af
- Cost share \$255 million & ranges from 0% to 82%
- Other benefits – EWA, fish flows, water quality improvements, wildlife habitat, flood control, seawater intrusion

• <u>Region</u>	<u>FY 2004</u>	<u>All years</u>
– Bay	\$3,273,000	\$ 3,273,000
– Sac Valley	\$2,908,046	\$29,804,543
– San Joaquin	\$19,671,905	\$66,849,794
– Southern Cal	\$34,207,000	\$81,836,576
– Central Coast	\$28,636,713	\$28,636,713

# Today's Action

**BDPAC: No Action to be Taken.**

**Authority: Consider Proposed Resolution No. 03-12-06 Recommending to the Department of Water Resources that it Proceed with the Award of Groundwater Storage Grants and Groundwater Recharge Loans.**

# **Agenda Item 9D**

Ecosystem Restoration  
Program Grants

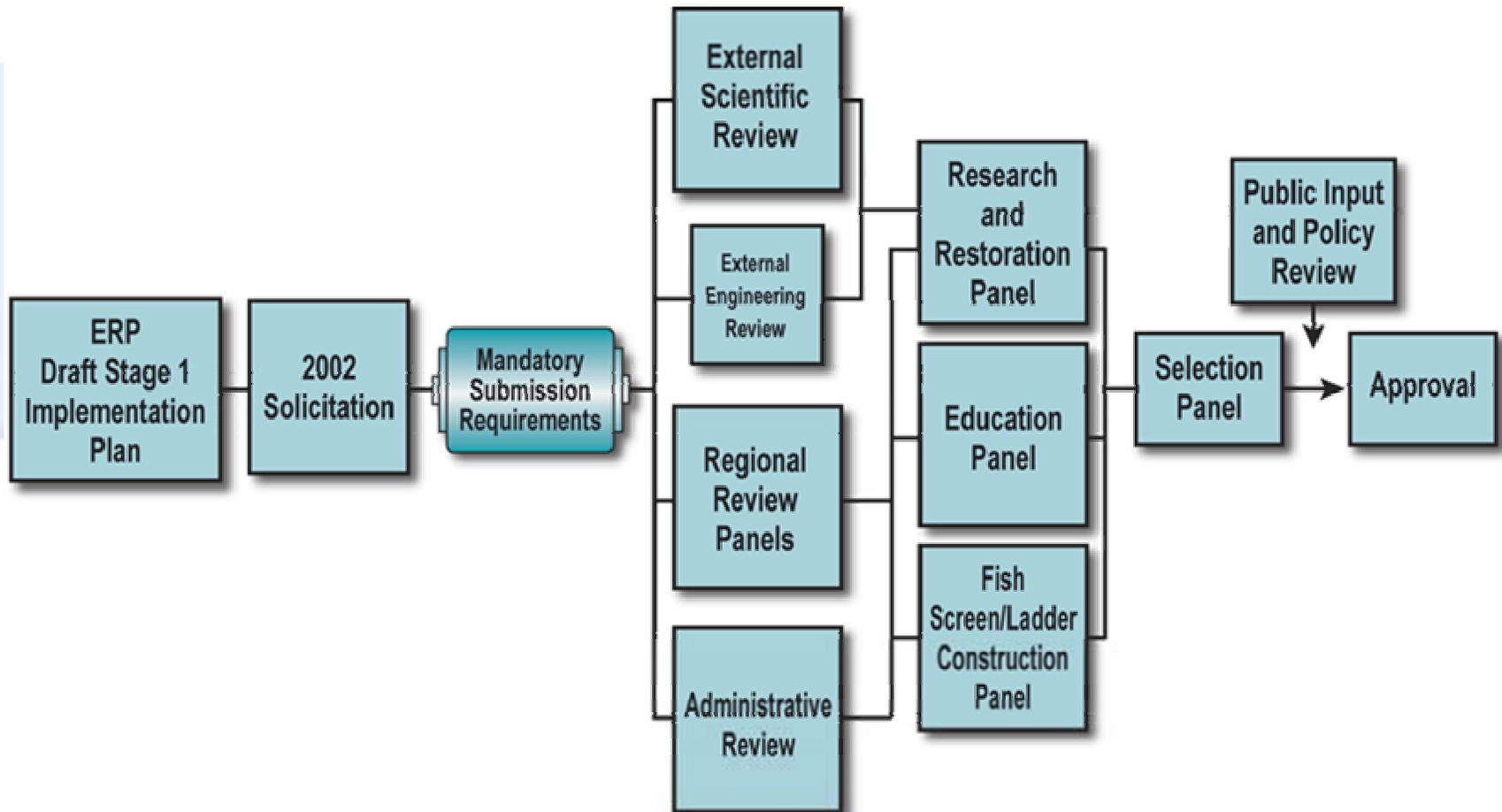
# **BDPAC & Authority Actions**

- **BDPAC: No Action to be Taken.**
- **Authority: Consider Resolution 03-12-07 Approving Ecosystem Restoration Program Grants and Authorizing the Director, or Designee, to Process the Approved Grants.**

# **ERP implementation: role of grants**

- Since 1995, the Ecosystem Restoration Program has distributed \$476 million to more than 400 projects
- First process for ERP in 1995, with formal solicitations in 1997, 1999, 2001, and 2002

# 2002 Proposal Review and Selection Process



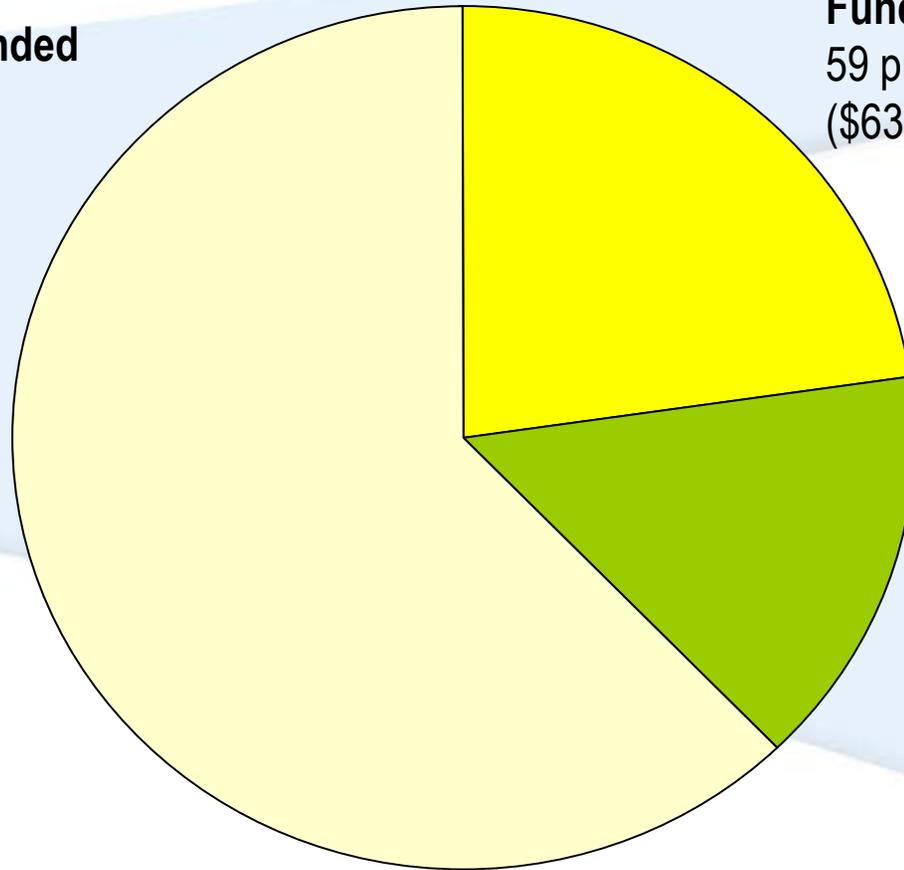
# Proposal Selection Criteria

- Consistent with Propositions 204 and 13
- Contributes to the program goals and objectives
- Meets the detailed specifications in the 2002 Proposal Solicitation Package

# 2002 ERP PSP actions

## Not recommended

162 projects  
(\$260 million)



## Funded

59 projects  
(\$63 million)

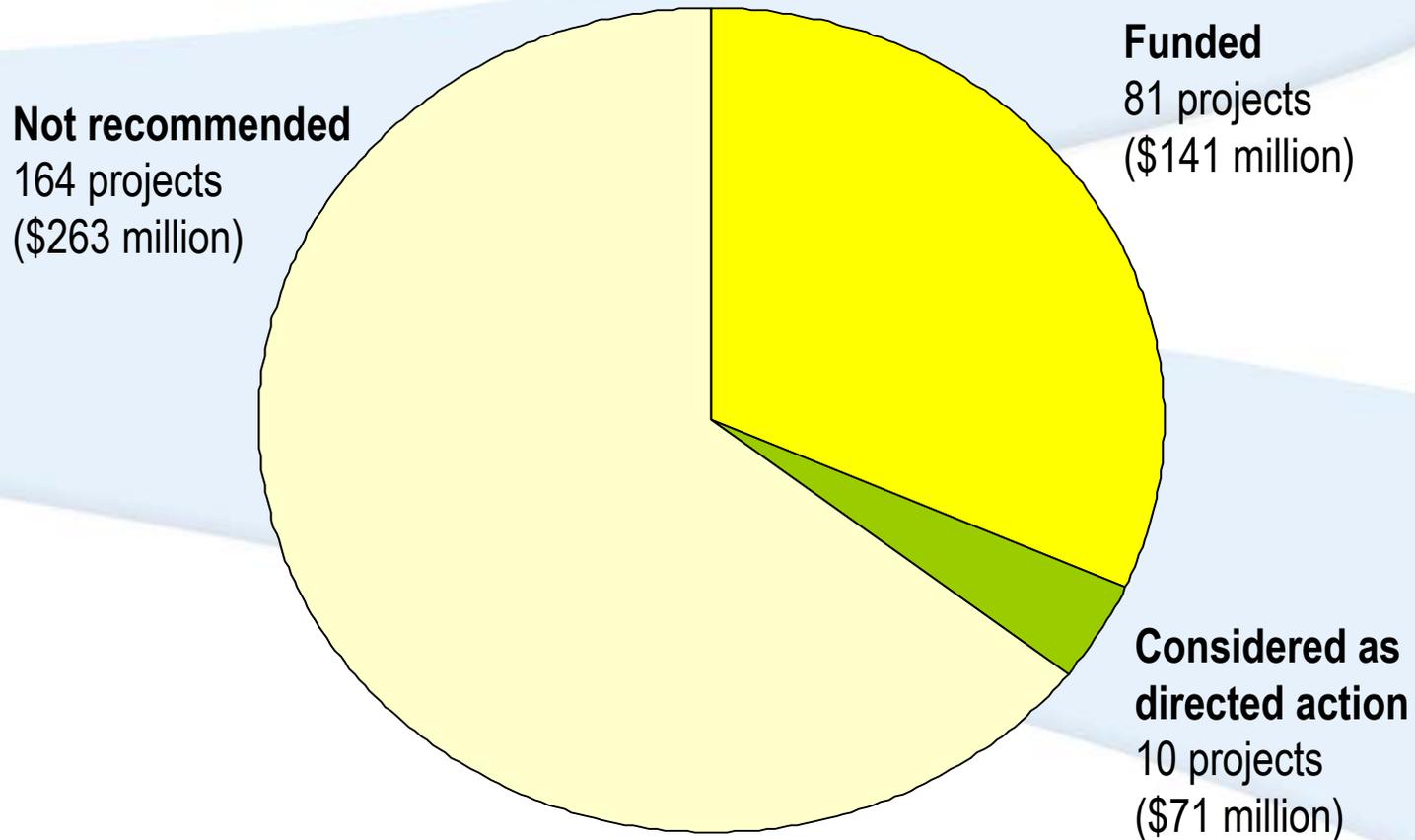
## Considered as directed action

39 projects  
(\$149 million)

# Directed action process

- Applicants revise proposals
- Technical reviews by prior reviewers
- Comments solicited from public
- Selection Panel review and recommendation
- Recommendation reviewed by Agency Coordination Team
- Decision by funding agency

# 2002 ERP PSP and directed actions



# ERP grants

1. Mercury and Methylmercury Processes in Tidal Wetlands (\$1.6M)
2. Mercury in Bay-Delta Birds (\$5.3M)
3. Monitoring the San Joaquin River Related to Dissolved Oxygen (\$6.8M)
4. Quantifying Ecosystem Flow Regime Needs for the Sacramento River (\$1.5M)

# Today's Action

**BDPAC: No Action to be Taken.**

**Authority: Consider Proposed Resolution No.  
03-12-07 Approving Ecosystem  
Restoration Program Grants to Fund  
Another 4 projects at \$15.3 million**